



PHD House, 4th Floor, Ramakrishna Dalmia Wing
4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016, India
Tel#: (+91-11) 2685 5487 • Fax#: (+91-11) 2685 1321
E-mail: anwar@mait.com • Website: <http://www.mait.com>

Anwar Shirpurwala
Executive Director

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Dear Sir,

Warm greetings from MAIT!

At the outset we wish to compliment the efforts of DGS&D, which has launched the Government e-Marketplace (GeM), a completely end-to-end procurement system for Government buyers.

We further compliment you for having set up a call centre/helpdesk (0120-6619563) for GeM and conducting training of our members on GeM. However, there are a few issues within GeM which need to be addressed before GeM becomes fully functional. Since GeM may take time to stabilize, non-renewal of the expiring Rate Contracts (RCs) may impede business both for the vendors as well as put the customers at a disadvantage, if there is no source to purchase from. Thus, our plea is that till the system becomes fully functional the RCs are extended.

Some of the issues as identified by our industry members are listed below:

General Issues

1. Unlike the earlier form of the RC under DGS&D, there seems to be little control on the costing of the products on the GEM site, which could lend itself to price manipulation. The flip side is also that due to a concept of reverse auctioning, there could be no guarantee of the pricing.
2. Further GFR 141- A states that "... GeM will also provide tools for online bidding and online reverse auction, which can be used by the Purchaser" but it does not mandate the reverse auction thereby increases the risks of purchase without proper competition.
3. There are no provisions for state specific local levies like octroi, entry tax, etc as the amount to be quoted is all inclusive. Also, the tax structure of each state is different till the time GST is implemented.
4. In case of products like servers or large software installations, services are very important. But the system is silent on services aspect.
5. The issues of handholding, Annual Maintenance Contract (AMC) and training are also not being addressed in GeM.

Application Related Issues

6. Single User allowed for a company. The Company ID is linked to the Aadhaar ID of the user. The mail and Phone number is linked to Aadhaar card, which is an issue. This is personalized to an individual rather than an organization. If the user is on leave or on travel or in an emergency, the system gets blocked.
7. It has been observed that DGS&D allows the purchaser to select the product brand along with the features of the product and this might result in only single products that qualify the criterion of the purchaser and thereby eliminates the competition and gives an opportunity to seller to sell at a higher cost.

8. Single billing location – OEMs have options of VAT billing from different States, which is not possible. So if the supplier is registered with billing location as Delhi, then for any other State order, the material needs to move to Delhi from their warehouse/ manufacturing unit and then needs to be billed from Delhi against CST.
9. Single consignee – If a Buyer needs to buy material in multiple locations then they need to make multiple orders. So any multi-location order becomes a very tedious activity for buyer and then has an effect on the supplier also.
10. There is no guideline to confirm the quality of suppliers before they are registered as a supplier. If Selected “Others” as type of Supplier, any trader or vendor, importer, etc. without any repute can upload their product and supply questionable quality products by giving throwaway pricing. There is no authentication process in “Others” CATEGORY. The onus of support is with OEM, but they have no control on vendors, who can sell duplicate or counterfeit products.
11. Product upload is very tedious and any error just wipes the data and the full process needs to be redone.
12. Material needs to be shipped along with CRC generated from system, but as a single user log-in / Company will be a big handicap for this.
13. Though system says that a minimum 7 days for BID and RA, but for some reason, a few bids were closed earlier. The bid of Jharkhand was closed within 24 Hrs and another bid for 360 tablet was closed in one calendar day.

Issues for System Improvement

14. No mail/SMS trigger for new BID/Order/RA. There should be a trigger for alerting in the system.
15. After the bid is over, there should be a system of confirmation and intimation on the result of the bid. Also the complete contact details including Email ID and Contact details should be provided.

We will be grateful if you can look into above issues and visit the concerns of our industry members on GeM. Needless to say that we are with the Government to see that GeM is made successful with participation of our members. We would also like to request you through this note not to discontinue the RC till the system is completely stabilized to ensure there are no disruptions for the Government customers.

We would like to meet you and further explain any points which require clarification. We therefore request you for an appointment at a time convenient to you to enable us discuss the same in detail.

With warm regards,



Anwar Shirpurwala

Shri Binoy Kumar
Director General
DGS&D